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ER 4-4104
AUG 3 1953

MEMORANDUM FOR: Acting Deputy Director (Administration)

THRU : Research Director, TSS
General Counsel, LO

SUBJECT : Request for Authority to Make Advance Payment
Under Contract No. RD-57 [REDACTED]

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1. Upon request of the Chief, Applied Physics Division, Technical Services Staff, approved by the Research Chairman and the Research Director, and upon assurance that the proposed contractor was the only knowledgeable person who could successfully accomplish the desired results, the Procurement Division has executed a task order cost type contract with [REDACTED] an individual trading as [REDACTED] 25X1A5a1
[REDACTED] The contract is to cover a series of tasks in the field of electronic specialties.

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2. In addition to the above, upon the request of the Chief, Applied Physics Division, TSS, approved by the Research Chairman and the Research Director, this office has executed Task Order No. 1 under the contract. This Task Order covers the development of an electronic device under Project P-118, [REDACTED] 25X1A
[REDACTED] The estimated cost of this project is \$59,600.00 for a period of one year.

3. The work to be performed under the first Task Order is classified "Top Secret".

4. It is understood that operating capital normally available to the Contractor has been expended and invested in a research program of interest to the Government which is currently at a standstill because of security restrictions imposed by Presidential Directive which have prevented the contractor from manufacturing the equipment involved or recovering invested interests, and that his present working capital is restricted to personal savings. Since the Contractor will be working exclusively for this Agency and all costs in connection with the work will be for our account, he has requested, with the Chief, Applied Physics Division, TSS concurring, that an advance payment in the amount of 20% of Task Order No. 1 be made to assist the Contractor in meeting initial financial obligations which will result from leasing the necessary office and laboratory space and purchasing special laboratory equipment with which to perform the desired work. It is anticipated that after expenditure of the advance payment, monthly reimbursement of Contractor's vouchers will provide sufficient funds for completion of the work.

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5. In accordance with the provisions of Part IV, Section E, Paragraph 6 of Central Intelligence Agency Regulation [redacted] authority is requested to make an advance payment to [redacted] for the performance of Task Order No. 1 for a total not to exceed \$12,000.00 from covert funds encumbered in Fiscal Year 1953. Approval of the inclosed Findings and Determinations will authorize such advance payment.

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6. The advance payment will be deposited in a special bank account by the Contractor and all expenditures made therefrom shall be subject to audit approval by the Agency.

J.
JAMES A. GARRISON
Chief of Logistics

1 Inclosure:
Findings and Determination

CONCUR:

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[redacted]
Research Director, TSS

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[redacted]
General Counsel, [redacted]

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